

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 410 – HB 521

April 18, 2018

SUMMARY OF ORIGINAL BILL: Requires all public K-12 schools to purchase and maintain one automated external defibrillator (AED). Encourages private schools as defined in Tenn. Code Annotated § 49-6-3001 to place AEDs in schools as required by public schools in Tenn. Code Annotated § 49-2-122. Requires private schools with AEDs to comply with standards as required for public schools for maintenance, testing and training.

CORRECTED FISCAL IMPACT OF ORIGINAL BILL:

Increase Local Expenditures - \$360,000/FY17-18*
\$42,800/FY19-20 and Subsequent Years*

SUMMARY OF AMENDMENTS (006868, 017643): Amendment 006868 deletes and replaces certain language of the original bill such that the only substantive change is to make the purchase of an AED device permissive for elementary and middle schools.

Amendment 017643 changes the effective date from July 1, 2017, to July 1, 2018.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase Local Expenditures – Exceeds \$14,000/FY18-19*
Exceeds \$1,700/FY20-21 and Subsequent Years*

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Annotated § 49-2-122, LEAs are currently encouraged but not required to stock schools with AEDs. Therefore, AEDs are permissive expenditures for local governments under current law.
- The legislation makes it a permissive option for elementary and middle schools to place AEDs in such schools, which will be consistent with Tenn. Code Ann. § 49-2-122; however, the legislation maintains a mandatory requirement that public high schools place an AED in such schools.
- Based on responses to requests for information from relevant LEAs which the DOE aided in identifying, there are a minimum of 6 public high schools without AEDs; since

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a number of LEAs did not respond to requests for information, it is reasonably assumed that the number of high schools which are not equipped with AEDs exceeds 7.

- Based on information provided by the Comptroller of the Treasury, the average cost for an AED per the state contract is approximately \$2,000. Replacement parts are estimated to be \$475 (\$140 for AED pads + \$135 battery + \$200 electrodes), to be replaced every two years.
- The mandatory one-time increase in local expenditures in FY18-19 associated with the AEDs is estimated to exceed \$14,000 (7 schools x \$2,000).
- The mandatory recurring biennial increase in local expenditures is estimated to exceed \$3,325 (7 schools x \$475); annualized, the mandatory recurring increase, beginning in FY20-21, is estimated to exceed \$1,663 (\$3,325 / 2 years).

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee" followed by the letters "RNC" in a smaller, less distinct script.

Krista M. Lee, Executive Director

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